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SUBJECT: DART UPDATE ON THE STATUS OF IRAQ'S PUBLIC
DISTRIBUTION SYSTEM

SUMMARY

1. The Iraqi MOT called a meeting in Baghdad on 20 May of the Governorate MOT directors to discuss preparations for the first countrywide public food distribution since the war ended, set to begin in June. Representatives from ORHA, the DART, WFP, and Iraqi MOT attended. MOT officials raised several issues that they feel must be resolved immediately, and they agreed to work closely together toward the goal of resuming the distribution of food rations in June. In Basrah, a 23 May meeting of ORHA's "Lower South" PDS working group was called to examine the food pipeline, ration composition, and progress on re-establishing PDS infrastructure. Issues common to the meetings were security concerns, and infrastructure constraints. End Summary.

MOT BAGHDAD CALLS MEETING OF ALL GOVERNORATE MOT DIRECTORS

2. The Ministry of Trade (MOT) and the Office of Reconstruction and Humanitarian Assistance (ORHA), summoned MOT officials representing each of the eighteen Iraqi Governorates to a meeting held at a conference center near the former Republican Guard Palace in Baghdad on 20 May. Members of the DART and the U.N. World Food Program (WFP) also attended. The ORHA official responsible for the Minister of Trade, Ambassador Robin Raphel, chaired the discussions, with an interpreter simultaneously translating her comments from English into Arabic.

3. Ambassador Raphel assured the group that she was aware of a multitude of problems facing the MOT. She asked that each Governorate assess the status of the MOT buildings, furniture, computers and personnel needed to revive the public distribution system (PDS). She said ORHA would provide the MOT in each Governorate with USD 50,000 to make emergency repairs to warehouses, silos, grain elevators, and office buildings to facilitate a resumption of the PDS in June.

3. She also asked each Governorate representative to provide the Ministry with a point of contact for the program, which will be shared with the Coalition Civil Affairs units in each region. (Note: As of 27 May, no DART or WFP member is aware of the USD 50,000 payments yet being provided. End Note.)

4. Ambassador Raphel introduced Yousef Abdel Rahman as the Iraqi point of contact in the Ministry in Baghdad, and said he will work with officials in each Governorate to compile a report describing the status of the grain elevators and silos in each area of the country.

5. The participants repeated several times that the lack of security is a primary concern in trying to revive the PDS. Ambassador Raphel said there are plans to create a guard force to secure the Ministry of Trade warehouses and silos. (Comment: This process has begun in all Governorates in the south; however, no single consistent approach is being used. In some areas, MOT guards are being trained and armed by Coalition forces. In other areas, MOT guards are to be drawn from a broader pool of guard trainees -- a subset of newly trained police forces. End Comment.)

LOCAL PURCHASE

¶6. After security, MOT managers' next greatest concern is the question of the purchase of local grain production for the National Strategic Reserves (NSR). Traditionally, Iraq's MOT Grain Boards purchased locally-produced wheat at the end of every harvest season. This year, there has been confusion over how much grain would be purchased, where the funds would come from, and how a severely damaged Grain Board infrastructure could undertake the necessary quality control and management of newly purchased stocks.

¶7. MOT managers were informed that ORHA, with assistance from WFP, would purchase up to 1.2 million tons of grain this year, and that an agreement was being developed which would set the modalities of the purchase process, including the purchase price. MOT managers stressed the need to act quickly, because in many Governorates in the south, local produce was already arriving at MOT warehouses and silos.

¶8. A related problem facing ORHA and the MOT are the reported hundreds of thousands of tons of grain from last year's crop remaining in the NSR. Anecdotal reports indicate that large quantities of this grain may be contaminated with aflatoxin at levels far exceeding those acceptable for human or animal consumption. (Note: Aflotoxins are carcinogenic and associated particularly with liver cancer in humans. Aflatoxin contamination is common in Iraq, and "acceptable" levels of aflatoxin contamination are reported to far exceed international standards. End Note.)

¶9. The ORHA/WFP/MOT local purchase agreement does establish a mechanism of quality control for this year's harvest. However, there is no plan in place for the assessment and testing of grain currently in the NSR, nor recognition of time and resources, which will be required to sample, test, transport and destroy large quantities of grain. Significant time will also be required for the cleaning of silos and warehouses storing contaminated grain.

¶10. Ambassador Raphael has said she will determine if Iraq has a facility to conduct a proper analysis of the wheat before any action is taken to destroy it. DART and WFP will discuss this issue further with the Food and Agricultural Organization, and are proposing the immediate collection of samples in each Governorate for independent testing in Kuwait.

BASRAH LOWER SOUTH WORKING GROUP MEETING

¶11. At the weekly task force PDS meeting in Basrah on 23 May, members of the Coalition military forces, DART, ORHA, MOT, and WFP discussed the status of the food commodities in the "Lower South" - the four southern Governorates of Maysan, Dhi Qar, Muthanna and Basrah. WFP stated there are enough food supplies in the pipeline to begin the PDS on 1 June. However, quantities of powdered whole milk, part of the adult PDS ration, are extremely low.

¶12. WFP reported that the MOT in Baghdad was in the process of establishing a countrywide ration for the month of June, which follows the pre-war practice. Coalition forces expressed concern over this prospect, stressing the fact that it was in the southern Governorates where distributions at the end of March had been disrupted, and in Basrah specifically, where the distribution shortfalls have not been filled. (Note: Setting the ration involves taking stock of the tonnage of each PDS commodity and making a determination of the quantities of each commodity that each person is to receive, if the quantities needed for the optimal ration are unavailable. Transport among Governorates is then required to ensure that sufficient quantities are present in each Governorate. Before the war, the MOT announced each month the quantities of each commodity and the date the distribution would begin. End Note.)

¶13. Because of these concerns, it was decided that Ambassador Ole Olssen, the regional coordinator for ORHA in the Lower South, would send a communication to ORHA/Baghdad and MOT, outlining the Lower South preparations for the 1 June distributions. These preparations include: a) the establishment of a ration consistent with existing and expected stocks; b) the transport of commodities between governorates to ensure a uniform ration; and c) finalization of a distribution timeline by district for each Governorate.

¶14. While in Basrah on 27 May, the DART learned from WFP that the MOT is due to notify WFP late on 28 May what the ration will be for the June distribution.